

1 **MINUTES OF THE WORKSHOP MEETING** of the City Council of the City of Orange City, Florida,
2 held on Tuesday, August 15, 2006, at 7:00 p.m. in Council Chambers, 201 N. Holly Avenue, Orange City.

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4 **CALL TO ORDER**

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6 The Meeting was called to order at 7:00 p.m. by Mayor Erwin and roll call was taken.

7
8 **ROLL CALL**

9
10 **PRESENT:** Mayor Albert T. Erwin; Vice Mayor Chuck Abell; Council Members Anthony R. Yebba,
11 Joelle R. DeVane, Donald C. Sherrill, Jeff H. Allebach, Jim Mahoney, City Manager John J.
12 McCue; City Clerk Deborah Renner.

13
14 **ABSENT:** City Attorney William Reischmann

15
16 **1. REVIEW PROPOSED BUDGET FOR FISCAL YEAR 2006/2007**

17
18 Mr. McCue began his presentation by noting that the budget has increased from \$2-3 million to \$9 million
19 over the past five or six years. Mr. McCue stated that personnel-related costs account for 51-52% of the
20 operating budget. He said that compared to other cities, this percentage is very good. Mr. McCue noted
21 that while employee compensation has been increased recently, the percentage has remained fairly low
22 because the number of employees has not increased and staff has been more productive. Mr. McCue
23 advised that the budget proposes four and one-half new positions. Two are for the Fire Department. Herb
24 Hoffman, Fire Chief, came forward and reported that when the interlocal agreement with Deltona to staff
25 the rescue unit at the hospital dissolves, Orange City will use these two positions to provide two, 12-hour
26 shifts seven days a week. The Chief advised that maintaining the unit based at the hospital will reduce the
27 City's response time.

28
29 Christine Davis, Finance Director, passed out a Taxable Ad Valorem Comparison per DR420 Report (a
30 copy of which is attached and becomes a permanent part of these minutes) for Council's information. Mr.
31 Ms. Davis discussed how the roll back rate is calculated and reviewed the City's ad valorem collections
32 over the past five years, noting significant increases in the last two years. Ms. Davis stated that ad valorem
33 represents only about 6% of the City's overall revenue stream. Mr. McCue stated, "It's important that we
34 recognize that in regards to the decisions we're going to make in this budget hearing process coming up."
35 Mr. McCue advised that the balance of commercial to residential development is good in the city. He
36 noted commercial developments carry the majority of the tax burden. Bringing down the ad valorem tax
37 rate by one-tenth of a mil would represent a significant savings to commercial property owners; however,
38 the benefit to an individual property owner is little or none. Mr. McCue said that he is not recommending
39 that the City adopt the roll back rate this year.

40
41 Mr. McCue stated that the City currently has several large financial commitments such as \$3 million for the
42 Partnership Center. In addition, there have been several large-scale construction projects such as the Town
43 Hall and Utilities Building renovations. He stated, "I think we need to take a year and just keep the status
44 quo moving here." Mr. McCue stressed that the City was not over-extended. He explained that as large
45 commitments are made, it reduces the flexibility of using future growth in revenues to be used to fund
46 current issues since those revenues have already been committed in the past. He stated, "My concern is
47 more that we're going to slowly and incrementally reduce our flexibility in the future to make decisions on

1 how to expend funds because they will be obligated by previous years' decisions and they catch up with
2 you."

3
4 Mr. McCue stated, "The basis of my budget and the staff's budget presentation to you tonight is to
5 maintain the tax rate as it is now. To recognize the benefits that could be derived by not returning those
6 revenues to the commercial property owners." He noted that approximately \$150,000 of unallocated funds
7 has been appropriated into the budget for the upcoming fiscal year. The fund balance at the beginning of
8 the fiscal year should be 2.9 million, with an anticipated ending balance of \$2.7 million.

9
10 Mr. McCue said, "Our philosophy this year is to take a year and keep the status quo moving here." He
11 advised staff prepared a budget based on maintaining reserve accounts, funding necessary capital, and
12 operating obligations and keeping the current level of services. Mayor Erwin elaborated that this approach
13 allows the City flexibility to take advantage of future opportunities that may arise. Council Member Yebba
14 stated, "We are entering a coming year with a lot of uncertainty and we need to be prepared for whatever it
15 is going to bring, not just lowering millage."

16
17 The Department Heads each explained their budgets to the Council.

18 19 City Council

20
21 The City Clerk reported she did not ask for anything different this year. Mr. McCue indicated that the
22 proposed budget includes a capital improvement project to have the front entryway of the Council
23 Chambers and the Police Department redone to match the portico in the town hall renovation project.
24 Mayor Erwin inquired about a \$79,000 expense item for the 125th anniversary in the projected budget for
25 next year. Christine Davis stated that was a formula error and she would correct it by the next budget
26 workshop.

27
28 Council Member Mahoney inquired about a \$6,000 contributions line item. Ms. Renner responded that
29 \$5,000 is for the Chamber of Commerce, noting that last year Council opted to make a \$5,000 contribution
30 in seed money for a fund raising campaign. The money was paid the previous as a fee for the services they
31 provide to their member businesses. Mr. McCue indicated the City has been paying the Chamber \$5,000
32 for some time now and he would be getting the request again sometime during the upcoming fiscal year
33 and will bring it back to the City Council for consideration at that time. Mayor Erwin stated that he does
34 not mind leaving it in as a budget item but thinks there has to be some discussion about what the Chamber
35 is doing for the City for that amount of money.

36
37 In response to a question from Council Member Sherrill, Ms. Renner explained that donations come out of
38 either the Council or the Administration budget. She noted there is funding in the proposed budget for the
39 Freedom Festival, the St. John's River Cleanup, and for Volusia Days.

40 41 Administration

42
43 Mr. McCue said the Administration proposed budget includes the following staffing changes, the
44 Community Relations Manager to the Community Relations Coordinator, and the Senior Executive
45 Assistant to the Administrative Services Coordinator. He noted staffing is constant. Mayor Erwin inquired
46 about the special events line item. Mr. McCue responded that line item is for city sponsored employee
47 events such as Senior Management training, annual awards programs, city volunteers, etc.

48

1 Council Member Allebach asked about the Other Current Charges line item. Ms. Davis responded that it is
2 for the annual and recruitment physicals. Council Member Mahoney inquired if employees take advantage
3 of the travel/training line items. Mr. McCue responded that many departments use these courses to obtain
4 and maintain continuing education credits for various accreditations.

5 6 **City Clerk**

7
8 Ms. Renner reported the City Clerk budget is pretty much the same as last year. There are capital line
9 items for a new computer and a heavy-duty scanner. She stated her goal is to provide agenda backup
10 information on line.

11 12 **TAPE 1-B**

13
14 Council Member Mahoney inquired about the reduction in election monies. Ms. Renner explained this has
15 to do with the timing of the election. The election will be in November, which actually falls within the next
16 fiscal year. Council Member Allebach inquired if we spent \$12,000 in 05/06 on elections. Ms. Davis
17 stated we allocated \$12,000 and as of July 2006 expensed \$4,656 in the 05/06 budget. Mr. McCue noted
18 the remaining balance would go back into the unallocated fund balance of 06/07 budget.

19 20 **Finance**

21
22 Ms. Davis noted, there are no new programs for the Finance Department. They are asking for \$4,500 for
23 three new computers.

24
25 Mayor Erwin asked that Council hold off discussion of capital items until the departmental operating
26 budgets are completed.

27 28 **Development Services Planning & Zoning/Building Division**

29
30 Chester Murray, Development Service Director, stated there is an increase in the travel/training line item.
31 He noted he would be sending staff to training for AICP (American Institute of Certified Planners)
32 Association in Orlando. Council Member Mahoney noted there was a large increase in payroll from 05/06
33 to 06/07, but staffing is constant, he inquired if the increase in staffing was done mid-year, Mr. Murray
34 responded, "yes it was."

35
36 Mayor Erwin stated that, in his opinion, the Development Services department should be self-supporting.
37 Mr. Murray responded that eighty percent of the services that his department provides are to Orange City
38 citizens; he noted that the department does not exclusively serve the development sector. Mr. McCue
39 conceded that with the exclusion of impact fees, the general fund revenue is subsidizing the Development
40 Services/Building Department by a little over \$200,000. Mayor Erwin said he had not considered the
41 Impact Fees and noted he would welcome a review of the fee structure for these departments.

42
43 Council Member DeVane asked if services were beneficial for the City to bring staff on board for the
44 Building Department under the professional services line item. Mr. Murray responded this line item covers
45 all building inspections, and any personnel needed to make that department function. Mr. McCue said that
46 hiring a building official would be expensive and not cost effective. He stated, "This is a privatization
47 contract and we need to keep it in place at this time."
48

General Government

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2
3 Mayor Erwin requested clarification of the \$175,000 salary adjustments in the proposed budget. Mr.
4 McCue responded that this is a control figure for the COLA increases, and the implementation of 3%
5 performance merit increase during the year for each employee.

6
7 Vice Mayor Abell inquired if we needed to increase the GEL Legal budget line item. Mr. McCue
8 responded that he would speak with Mr. Reischmann and may recommend changes by the next budget
9 hearing.

10
11 Vice Mayor Abell noted the Disaster line item went to zero. Mr. McCue responded that was the line item
12 used to capture FEMA reimbursement for debris removal for all the storms of 2004. Ms. Davis explained
13 the \$64,000 in the 05/06 adopted budget was the remainder of the FEMA billing from 2004. The City had
14 no need for debris removal in 2005. Mayor Erwin stated that there is \$250,000 in reserve for emergencies
15 if the need arises.

16
17 Council Member Yebba asked if staff would be conducting the Citizen's Academy this year. Mr. McCue
18 responded that there was a lack of response from the Community when trying to schedule a session last
19 year. He stated Angel Smith, Community Relations Coordinator, would organize the Academy.

Police Department

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23 Chief Baskoff reported he is requesting a lieutenant position. This position will intermingle with all shifts
24 assigned to the traffic unit, working weekends, and filling in for vacationing sergeants. He noted, in
25 addition, he is looking for someone who has experience with grant writing.

26
27 Vice Mayor Abell questioned the spike in telephone line items. Chief Baskoff responded that these line
28 items include citywide internet service (\$3,000 per year), 20 sprint air cards (\$12,000 per year for the patrol
29 laptops), Nextel phones (\$7,200 per year), the NCIC teletype connection (\$3,300 per year), and monthly
30 phone bills.

31
32 Council Member DeVane inquired about current Police Department Staffing. Mr. McCue responded that
33 the Department is accomplishing multiple objectives with one position. He noted that if we funded one
34 police officer, the roles and responsibilities would be limited. In addition, the City would have to hire a
35 training officer or continue to pay for private sector training. Mr. McCue suggested that hiring a lieutenant
36 is a more fiscally conservative approach.

37
38 In response to a question from Council Member Allebach, Chief Baskoff confirmed that the traffic program
39 would continue.

40
41 BEGIN TAPE 2A

Fire Department

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44
45 Mayor Erwin asked about the absence of the Firefighter/EMT Staffing Detail line item. ~~Captain~~ Chief
46 Hoffman responded that the EMT positions are included in the Firefighter/Paramedic line item. He noted
47 the City has a minimum of one paramedic. Mr. McCue clarified these are dual positions and, "No one in
48 the department is just an EMT."

(amended on 9/12/06)

(amended on 9/12/06)

1
2 In response to Council Member Sherrill's question about the department overtime, ~~Captain~~ Chief Hoffman
3 said there is a deficit. Mr. McCue clarified the deficit is due to scheduling methodically, etc. and ~~Captain~~
4 Chief Hoffman has already implemented mechanisms to control this line item. Ms. Davis noted the Fire
5 Department has to use overtime to cover shifts when recruiting. Ergo there is an increase in overtime;
6 however, there is money available to cover the shortfall in the payroll line item.
7

8 Mayor Erwin inquired if the Fire Department is still participating in the FESS (Firefighter Employment
9 Screening Service) system and if the City had recruited anyone through the program. ~~Captain~~ Chief
10 Hoffman stated he is hiring from within. Mayor Erwin then inquired if there is any advantage to
11 participating in this program. Mr. McCue responded that it is worth it so that the City is part of the overall
12 County strategy.
13

14 **Public Works**

15
16 Paul Johnson, Public Works Director, came forward and noted that Public Works is requesting a part-time
17 custodian position. He said the current custodian does an outstanding job, noting that he has the
18 capabilities of doing carpet cleaning, and stripping and waxing of floors throughout city facilities. In the
19 past, the City contracted out these services. The City has expanded its facilities and the custodians
20 responsibilities have become too much for one person.
21

22 Mayor Erwin inquired if there was enough money to cover paved street maintenance. He noted the line
23 item was half of last year's allocation. Mr. McCue responded that CDBG (Community Development Block
24 Grant) funding had been used to pay for paved street maintenance. However due to the lack of response
25 from citizens to the census, the City is no longer able to use the money for that area. He said Mr. Johnson
26 has spoken with Mr. Charles Hargrove, Public Works Superintendent, regarding an assessment of the
27 streets and other infrastructures of the city. He noted once the assessment is complete, a plan of action will
28 come before the Council for consideration.
29

30 Mayor Erwin noted it was important that the City continue to maintain its paved streets. He indicated that
31 he would like Public Works to look at the condition of roads, and "prioritize them before we loose them."
32 Council Member Sherrill agreed and noted, "We don't want to get behind again and start getting into crisis
33 management on the road systems."
34

35 **Facilities Maintenance**

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37 Mr. Johnson noted the proposed increases are due to increases in the price of gas and oil.
38

39 **Parks Maintenance**

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41 Mr. Johnson advised that he is seeking a second maintenance specialist for the Parks Department. He said
42 that he has been supplementing Parks with Public Works staff. Both Superintendents need extra help.
43 Hiring a second maintenance specialist in Parks will solve both problems.
44

45 Mayor Erwin said, "That would be money well spent." He noted there are still maintenance areas that we
46 could be doing better.
47

48 **Leisure Services**

1
2 James Moltz, Parks Superintendent, came forward and reported there is a \$15,000 line item proposed for
3 the community and a small summer recreation program for next summer. He noted that there are three
4 schools opening in Orange City, so there would be students from Deltona and DeBary. Mr. Moltz said the
5 summer recreation program would target the school system; therefore, it is important to approach it slowly
6 and incrementally.

7
8 In response to a question from Council Member Mahoney about the increase in payroll, Mr. McCue noted
9 that a 15-year veteran employee would be moving into the Leisure Service Coordinator position.

10
11 Mayor Erwin recessed the meeting at 9:10 p.m., reconvening at 9:20 p.m.

12 **Enterprise Fund**

13
14
15 Mr. Johnson reported that he is expecting three-quarters of a million dollars in total revenue for the year.
16 Mayor Erwin asked when the wells would be ready for production. Mr. Johnson responded both Well #8
17 and Well #9 are just about complete. He stated the interconnect is on hold pending inspection of the wells
18 and installation of the electrical components by the power company. Mr. McCue noted that the City should
19 be able to start selling that water some time in the upcoming fiscal year.

20
21 Council Member Mahoney noted for clarification, the water service item does not include any new wells
22 coming on line, but the increase is attributable to existing wells and any rate structure increases applicable
23 to that existing use. Mr. McCue added that there is also growth in the unincorporated area.

24
25 Mr. McCue stated, at the next council meeting, Ms. Davis would present a rate study along with fee change
26 recommendations. In addition, staff is working on a comprehensive code update for the entire utility
27 division in the next three to four months. He noted the recommendations of the consultant engineer were
28 limited to utility operations and that the financial operation has issues that need to be addressed such as
29 customer service, cutoffs, and the outdated operations of the utility, which fall under Ms. Davis. Council
30 Member Mahoney asked if the revenue item for fiscal year 06/07 only has a fraction, not a full component.
31 Mr. McCue said that is correct. He noted, on the expenditure side, we are maintaining staff and services at
32 the current level with a couple of minor increases.

33
34 Mr. Johnson reported the Enterprise Fund Impact Fee Detail includes money allocated for connectors that
35 will allow the City to connect to the County at two other locations and for the extension of the West Rhode
36 Island line project. Mayor Erwin noted, there are still some grant funds available for interconnects.

37
38 BEGIN TAPE 2B

39
40 Mr. McCue responded that the City is currently in a position to sell water. There are two other
41 interconnects along Strawberry Oaks Drive and Enterprise Road. Mayor Erwin stated, "The thing to keep
42 in mind is there is still some grant funds available for interconnects."

43
44 Mayor Erwin asked how much additional wastewater capacity \$40,000 would give the city. Mr. Johnson
45 responded that amount would give the City the capacity to supply half of the West Volusia Town Center.
46 He noted the City has about 120,000 gallons per day of wastewater capacity left at this time.

47

1 In response to a question from Mayor Erwin, Mr. Johnson said the Kubota Car is a vehicle that the meter
2 readers will be using. Mr. McCue noted it is more economical than the trucks.

3
4 **Capital Improvement Projects**

5
6 Council Member Sherrill expressed concern about Thorpe Avenue sidewalk maintenance. Mr. McCue
7 noted that the funds were reallocated to other projects. Mr. Johnson reported that the City would build
8 sidewalks along South Carpenter from Sandy Pine to Blue Springs in the next two weeks. The plan for
9 next year is to use CDBG funds for sidewalks that would run from Lynn to Second Avenues, however,
10 because the funds have not been received yet this item is not in the budget. Mr. McCue stated because
11 some of the funds are from other agencies, the number in the budget does not reflect the actual value of
12 dollars going into the sidewalk program. He stated, "Mr. Johnson and I will come back to Council with a
13 new map with the proposed links of sidewalks that Orange City is responsible for."

14
15 Mayor Erwin asked if there is enough space in Coleman Park for softball fields and the traffic that it is
16 going to draw. He also inquired about the splash pad proposed budget item. Mr. McCue said that line item
17 is a carryover of funds that was budgeted last year and not used. Ms. Davis noted there is ECHO grant
18 funding that is available for both the softball field and the splash pad.

19
20 In response to a question from Council Member Sherrill, Mr. McCue said the State Historical Preservation
21 Group has put constraints on the City's reimbursement grant. If the grant is accepted, it will limit
22 improvements to Town Hall for the next twenty years. In addition, the State can ask for reimbursement of
23 grant funds. He stated that based on these limitations, he might come back before Council to recommend
24 not accepting the grant.

25
26 Council Member Mahoney noted the City is assuming a growth rate similar to last year and asked, "Is that
27 a reasonable expectation?" Ms. Davis replied, "Emphatically yes." She said the budget is conservative;
28 based on an average of the previous year and does not consider new commercial and residential growth.
29 Mr. McCue noted, "I am confident that what we budgeted, we will receive but I am very confident we will
30 receive more than we are budgeting."

31
32 Mayor Erwin stated the proposed budget is adequate to serve the City needs. He noted, "Originally I
33 wanted to lower valorem, however, after careful review I am very happy with the budget." Mr. McCue
34 commended Ms. Davis for her work on the budget.

35
36 **2. ADJOURNMENT**

37
38 There being no further business, Mayor Erwin adjourned the meeting at 10:20 p.m.

39
40
41 **RESPECTFULLY SUBMITTED:**

42
43 Gloria Williams

44
45 _____
46 Deputy City Clerk

APPROVED ON
(as amended)

September 12, 2006